

ORIGINAL NEW APPLICATION



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AZ CORP COMMISSION
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Richard L. Sallquist, Esq. (002677)
SALLQUIST, DRUMMOND & O'CONNOR, P.C.
4500 S. Lakeshore Drive, Suite 339
Tempe, Arizona 85282
Telephone: (480) 839-5202 Fax: (480) 345-0412
Attorneys for Livco Water Company and Livco Sewer Company

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. W-02121A-06-W-02121A-06-0316
LIVCO WATER COMPANY FOR AN)
EXTENSION OF ITS CERTIFICATE OF) APPLICATION FOR EXTENSION
CONVENIENCE AND NECESSITY FOR THE) OF CERTIFICATE OF
PROVISION OF WATER SERVICE IN) CONVENIENCE AND
PORTIONS OF APACHE COUNTY,) NECESSITY FOR WATER SERVICE
ARIZONA,)

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. SW-02563A-06-SW-02563A-06-0316
LIVCO SEWER COMPANY FOR AN)
EXTENSION OF ITS CERTIFICATE OF) APPLICATION FOR EXTENSION
CONVENIENCE AND NECESSITY FOR THE) OF CERTIFICATE OF
PROVISION OF WASTEWATER SERVICE IN) CONVENIENCE AND
PORTIONS OF APACHE COUNTY,) NECESSITY FOR WASTEWATER
ARIZONA,) SERVICE

Livco Water Company and Livco Sewer Company (collectively referred to as "LIVCO" or the "Company") submit this Application to extend their water and wastewater Certificates of Convenience and Necessity. In support of this Application, LIVCO states as follows:

1. LIVCO holds a Certificate of Convenience and Necessity ("CC&N") issued by the Arizona Corporation Commission ("Commission") to provide water and wastewater service in portions of Apache County, Arizona.

2. The Company has received a Request for Service for water and wastewater service from a property owner who's parcel is adjacent to the Company's existing water and wastewater CC&N.

1 3. A copy of the completed CC&N Extension Application for the Expansion Area as
2 required by the Commission is attached hereto as **Attachment One**.

3 4. The Developer is currently reviewing the Water Line Extension Agreement and the
4 Wastewater Line Extension Agreement ("LXA's") attached hereto as **Attachment Two**.
5 Executed copies of those Agreements substantially in the form attached will be docketed as late-
6 filed exhibits within 30 days.

7 5. LIVCO will provide service within the Expansion Area under its existing service rates,
8 charges, terms and conditions, as those rates may be amended by appropriate regulatory action.

9 6. As indicated in the Staff Report in the Livco Water Company Rate Application in
10 Docket No W-02121A-05-0820, the Company is presently providing water service to customers
11 within areas the previous owners of the Company failed to obtain a CC&N. The Company
12 hereby requests that it be granted a water CC&N for those portions of Section 7, 29, and 33,
13 Township 12 North, Range 26 East, G&SRB&M, Apache County Arizona, which have not been
14 previously Certificated to the Company as follows, and as described on **Exhibits B and C to**
15 **Attachment One:**

Section Number	Existing Customers	Maximum Customers	Distribution Facilities Status
7	42	380	One-half installed
29	1	358	Transmission installed
33	25	80	All installed

19
20 7. LIVCO will publish the form of notice attached hereto as **Exhibit I to Attachment**
21 **One** in a newspaper of general circulation in LIVCO's service area. An Affidavit of Publication
22 will be docketed upon completion of the publication.
23

1 WHEREFORE, LIVCO respectfully requests that the Commission hold a hearing on this
2 Application as soon as practicable, and thereafter issue an order granting the requested extension
3 of its water and wastewater Certificates of Convenience and Necessity.

4 Respectfully submitted this 4th day of May, 2006.

5 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

6 By: [Signature]

7 Richard L. Sallquist

8 SALLQUIST, DRUMMOND & O'CONNOR P.C.

9 4500 S. Lakeshore Drive, Suite 339

10 Tempe, AZ 85282

11 Attorneys for Livco Water Company
12 and Livco Sewer Company

13 The original and ten copies of
14 the foregoing were filed this 4th
15 day of May, 2006:

16 Docket Control
17 Arizona Corporation Commission
18 1200 W. Washington St.
19 Phoenix, AZ 85007

20 [Signature]

ATTACHMENTS

One CC&N Form Application

Two Water and Wastewater Line Extension Agreements

Richard L. Sallquist (002677)
Sallquist, Drummond & O'Connor, P.C.
4500 S. Lakeshore Drive, Suite 339
Tempe, Arizona 85282
(480) 839-5202

Attorneys for Livco Water Company and Livco Sewer Company

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. W-02121A-06-_____
LIVCO WATER COMPANY FOR AN)	
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PROVISION OF WATER SERVICE IN)	CONVENIENCE AND
PORTIONS OF APACHE COUNTY,)	NECESSITY FOR WATER SERVICE
ARIZONA,)	

IN THE MATTER OF THE APPLICATION OF)	DOCKET NO. SW-02563A-06-_____
LIVCO SEWER COMPANY FOR AN)	
EXTENSION OF ITS CERTIFICATE OF)	APPLICATION FOR EXTENSION
CONVENIENCE AND NECESSITY FOR THE)	OF CERTIFICATE OF
PROVISION OF WASTEWATER SERVICE IN)	CONVENIENCE AND
PORTIONS OF APACHE COUNTY,)	NECESSITY FOR WASTEWATER
ARIZONA,)	SERVICE

This Application is substantially in the form prescribed by the Commission.

A. The name, address and telephone number of the Applicant is:

Livco Water Company
P.O. Box 659
Concho, Arizona 85924
(928) 337-2266

B. The name, address and telephone number of management contact:

Rick Kautz, President
P.O. Box 659
Concho, Arizona 85924
(928) 337-2266

ATTACHMENT ONE

1 C. List the name, address and telephone number of the operator certified by the Arizona
2 Department of Environmental Quality:

3 **Jeff Hammond**
4 **P.O.Box 870**
5 **St. Johns, Arizona 85936**
6 **(928) 337-2378**

7 D. List the name, address and telephone number of the attorney for the Applicant:

8 **Sallquist, Drummond & O'Connor, P.C.**
9 **Richard L. Sallquist**
10 **4500 S. Lakeshore Drive**
11 **Suite 339**
12 **Tempe, Arizona 85282**
13 **(480) 839-5202**

14 E. Attach the following exhibits that apply to you:

15 1. Certificate of Good Standing (if corporation)

16 **Please see attached Exhibit A.**

17 2. Corporate Resolution Authorizing this application (if required by the corporation's
18 Articles of Incorporation)

19 **N/A**

20 F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section
21 description) or **METES AND BOUNDS** survey. References to parcels and dockets will
22 not be accepted.

23 **Please see attached Exhibit B.**

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area
requested. Also indicate present Certificated area using different colors of shading and
outline.

Please see attached Exhibit C.

H. Attach a current balance sheet and profit and loss statement.

Please see attached Exhibit D.

I. Please provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year 14 Second Year 29 Third Year 46

Fourth Year 46 Fifth Year 46

Commercial:

First Year -0- Second Year -1- Third Year -1-

Fourth Year -1- Fifth Year -1-

Industrial:

First Year -0- Second Year -0- Third Year -0-

Fourth Year -0- Fifth Year -0-

Irrigation:

First Year -0- Second Year -0- Third Year -0-

Fourth Year -0- Fifth Year -0-

Other: (specify)

First Year -0- Second Year -0- Third Year -0-

Fourth Year -0- Fifth Year -0-

2. (WATER ONLY) Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

Residential Per Customer:

First Year 822,108 Second Year 1,702,438

Third Year 2,701,212 Fourth Year 2,701,212 Fifth Year 2,701,212

Commercial:

First Year 0 Second Year 44,400

Third Year 44,400 Fourth Year 44,400 Fifth Year 44,400

Industrial:

First Year N/A Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation:

First Year N/A Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

Other: (specify)

First Year N/A Second Year _____ Third Year _____

Fourth Year _____ Fifth Year _____

3. (Water) Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year \$1,130 Second Year \$3,253 Third Year \$64,787

Fourth Year \$4,787 Fifth Year \$4,787

4. (Water) Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year \$1,248 Second Year \$1,140 Third Year \$1,650

Fourth Year \$1,650 Fifth Year \$1,650

5. (Wastewater) Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year \$1,552 Second Year \$3,654 Third Year \$6,313

Fourth Year \$6,313 Fifth Year \$6,313

6. (Wastewater) Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year \$288 Second Year \$1,047 Third Year \$2,220

Fourth Year \$2,220 Fifth Year \$2,220

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

Water \$126,856 Wastewater \$89,989

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

On-site facilities will be financed by the Developer using line extension agreements that will be submitted to the Commission.

L. Estimated starting and completion date of construction of utility facilities:

Starting date: Q2, 2006 Completion date: Q3, 2006

M. Attach the following permits:

1. Franchise from either the City or County for the area requested.

To be late filed as Exhibit E.

2. Arizona Department of Environmental Quality or designee's approval to construct facilities.

To be late filed as Exhibit F.

3. Arizona State Land Department approval. N/A

4. U.S. Forest Service approval. N/A

5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of either the utility's Designation of an Assured Water Supply or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources.

To be late filed as Exhibit G.

If area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer. N/A

1 If area requested is outside an Active Management Area and the developer does not
2 obtain an Adequacy Statement, provide sufficient detailed information to prove that
adequate water exists to provide water to the area requested. N/A

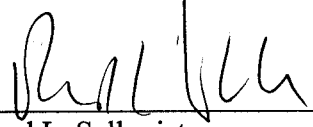
3 N. Attached hereto as **Exhibit H** is an Engineering Data Sheet showing the customer count and
consumption data for the latest 13 month period.

4 O. Attached hereto as **Exhibit I** are the forms of Notice of Publication and the Notice to
5 Property Owners in the area. The signed affidavits of mailing and publication will be late
6 filed as exhibits.

DATED this 17th day of May, 2006.

SALLQUIST, DRUMMOND & O'CONNOR, P.C.

By


Richard L. Sallquist

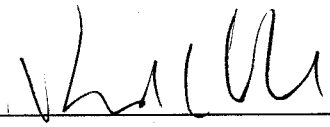
4500 S. Lakeshore Drive, Suite 339

Tempe, Arizona 85282

Attorney for Livco Water Company
and Livco Sewer Company

12 Original and ten copies of the
13 foregoing filed this 17th day
14 of May, 2006, with:

15 Docket Control
16 Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

17
18 
19

LIST OF EXHIBITS

<u>EXHIBIT</u>	<u>DESCRIPTION</u>
A	CERTIFICATE OF GOOD STANDING
B	LEGAL DESCRIPTION
C	MAP OF EXISTING AND REQUESTED AREA
D	2004 FINANCIAL STATEMENTS
E	COUNTY FRANCHISE (Late Filed)
F	ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY APPROVALS (Late Filed)
G	CERTIFICATE OF ADEQUATE WATER SUPPLY (Late Filed)
H	ENGINEERING DATA SHEET
I	NOTICE/AFFIDAVIT OF MAILING AND PUBLICATION

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****LIVCO SEWER COMPANY*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on April 25, 1990.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 27th Day of February, 2006, A. D.




EXECUTIVE SECRETARY

BY: 

EXHIBIT A

STATE OF ARIZONA



Office of the CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

*****LIVCO WATER COMPANY*****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on June 26, 1970.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

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EXECUTIVE SECRETARY

BY: 

LEGAL DESCRIPTION

REQUESTED WATER EXPANSION AREA

Parcel 1

Please see attached, and

Parcel 2

All of Section 7, except Parcel 1 and those areas previously certificated to the Company, and

Parcel 3

All of Section 29, except those areas previously certificated to the Company, and

Parcel 4

All of Section 33

all located in Township 12 North, Range 26 East, G&SRB&M, Apache County
Arizona

REQUESTED SEWER EXPANSION AREA

Parcel 1

Please see attached

PRELIMINARY PLAN

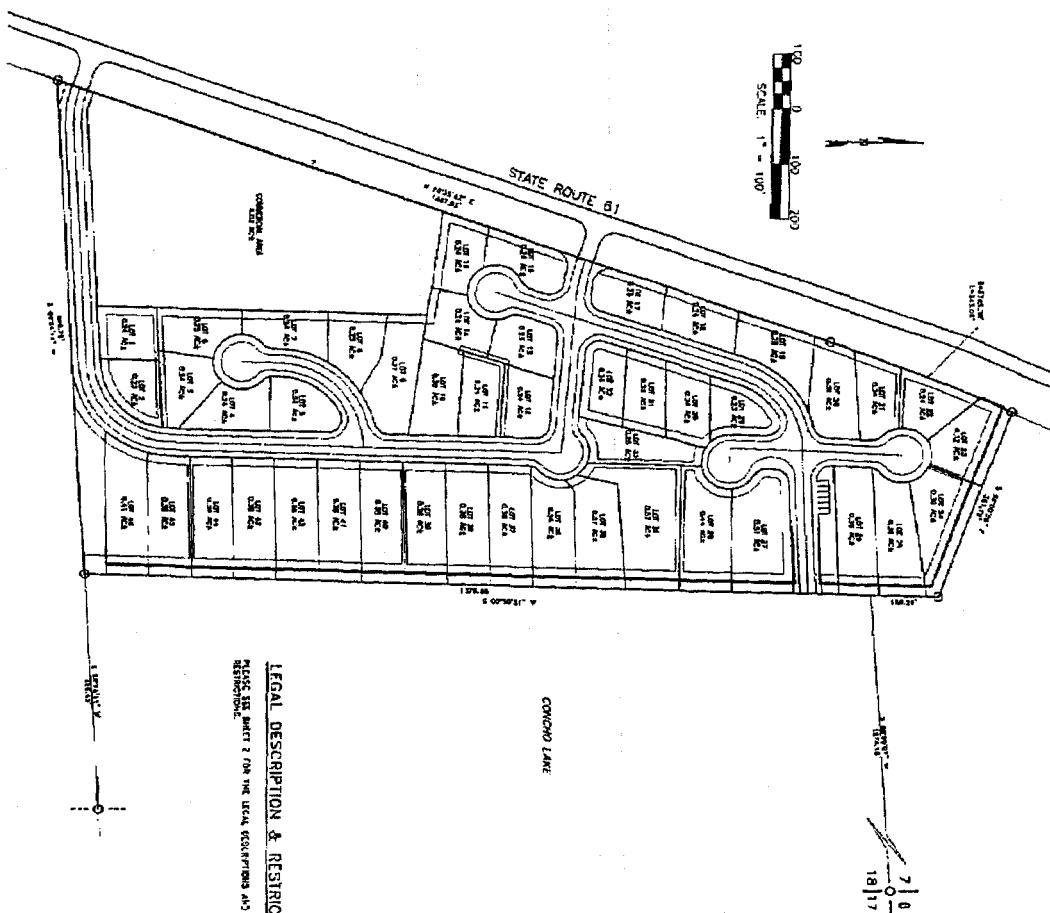
G. & S. R. B. & K. M. CONCHO, APACHE COUNTY, ARIZONA



TABLE OF CONTENTS

Page No.	Description
1.	COVER SHEET
2.	LEGAL DESCRIPTION & DETAILS
3.	LOT LAYOUT

LeTNo	Sq. Ft.	Acres	LeTNo	Sq. Ft.	Acres
1	10241	0.24	24	17193	0.39
2	10069	0.23	25	15139	0.35
3	10538	0.24	26	19630	0.45
4	10618	0.24	27	22242	0.51
5	10318	0.24	28	19055	0.44
6	10884	0.25	29	10092	0.23
7	10270	0.24	30	16528	0.34
8	10781	0.25	31	10185	0.23
9	11124	0.30	32	10511	0.24
10	13164	0.37	33	12031	0.28
11	10948	0.24	34	20633	0.47
12	10278	0.24	35	18157	0.41
13	10270	0.24	36	14838	0.34
14	10392	0.24	37	16509	0.38
15	10378	0.24	38	16607	0.38
16	10804	0.24	39	15907	0.36
17	10231	0.23	40	16607	0.38
18	10277	0.24	41	16507	0.38
19	12317	0.28	42	16507	0.38
20	13006	0.32	43	14507	0.33
21	15688	0.34	44	16507	0.38
22	16370	0.34	45	18554	0.43
23	13988	0.33	46	17838	0.41
Cemeteries			175353		4.05



STILL OF AMERICAN
COUNTRY OF JAPANESE

1. THE ABOVE INFORMATION WAS OBTAINED FROM THE
 2. SOURCE OF THE INFORMATION, WHOSE CREDIBILITY IS
 3. AS FOLLOWS: [REDACTED]
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COUNTY OF ALACHUA

ON THE _____ DAY OF _____, 2003, BEFORE ME, THE
UNDEPUTED CLERK,
OFFICE, PERSONALLY APPROVE _____

AN OFFICER WITNESSES I HAVE HEREIN SET OUT AND BE OFFICIAL SEAL.

APPROVAL: N/S
DATE: 01/01/01

ATTEST _____
Clerk

APPROVED _____ DATE _____
 COLLECTOR _____
 PLUMBING & ROOFING DIVISION

ALPACAS
PERSON OF PLAINBAC & TONDS COMPS ON
CAT

SINIRA CAPITAL LLC

ALBANY, N.Y. 12242

SAAACSON ENGINEERING
10101 EUGENE AVE. AND LAND SURVEYING
PO BOX 2724
ST. JOHNS, AZ 85316
PHONE: (602) 357-9810
FAX: (602) 337-9155

I HEREBY CERTIFY THAT THE SURVEY AND

LEGAL DESCRIPTION & RESTRICTIONS

I HEREBY CERTIFY THAT THE SURVEY AND LAYOUT OF THE PLOTS 555 DECEMBER AND FIFTY FIVE ACRES WAS PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND THAT I AM A duly Licensed Surveyor and that I AM NOT AWARE OF ANY OTHER CLAIMS TO THE LAND BY ANY PERSON OR ENTITY.

Joseph M. Bozard, PLS 151728

ISAACSON ENGINEERING

PHONE: (930) 337-8814 FAX: (928) 337-0904
CONCHO WEST SHORE SUBDIVISION

WEEK'S COLEMAN AT THE MUSEUM OF: GREG BANTA

**CONCHO WEST SHORE SUBDIVISION
PRELIMINARY PLAN**

A PROPOSED SUBDIVISION
IN A PORTION OF SECTIONS 7 & 18, T. 12 N., R. 26 E.,
G.&S.R.B.&M., CONCHO, APACHE COUNTY, ARIZONA

**LEGAL DESCRIPTION
CONCHO WEST SHORE SUBDIVISION**

A portion of Sections 7 and 18, T.12 N., R.26 E., G.&S.R.B.&M., Apache County, Arizona more particularly described as follows:

Commencing at a point marking the Northeast corner of said Section 18; thence South 86° 00' 07" West along the common boundary between Sections 7 & 18, a distance of 1,874.18 feet to the TRUE POINT OF BEGINNING; thence South 00° 50' 31" West, a distance of 1,378.86 feet to a point on the South boundary of the Northwest Quarter of the Northeast Quarter of Section 18; said point lying South 86° 24' 11" West a distance of 426.43 feet from the Northeast 1/16 Section corner; thence South 86° 24' 11" West along said 1/16 Section line a distance of 898.76 feet to a point on the Easterly right-of-way boundary of State Highway 61; thence North 18° 33' 42" East along the highway right-of-way, a distance of 1,437.83 feet to a point of curvature; thence Northerly along the right-of-way boundary and along a curve being concave to the east, having a radius of 3,745 feet, through a central angle of 05° 14' 54", a distance of 343.05 feet; thence South 69° 00' 28" East a distance 361.78 feet; thence South 00° 50' 31" West a distance of 118.16 feet to the TRUE POINT OF BEGINNING.

Containing 23.04 acres, more or less
Subject to any existing easements or restrictions

CERTIFICATION

I, the undersigned, certify that the survey and subdivision of the parcels described above was made in accordance with the laws of the State of Arizona and that it is true and correct to the best of my knowledge and belief.

WITNESS MY HAND AND SEAL THIS 15TH DAY OF

ISAACSON ENGINEERING

P.O. Box 2023
ST. ARIZONA, ARIZONA 85506

PHONE (602) 333-2500

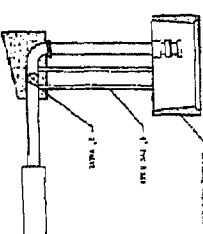
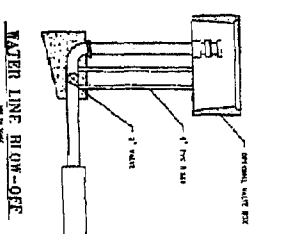
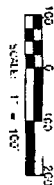
**CONCHO WEST SHORE SUBDIVISION
LEGAL DESCRIPTIONS & DETAILS**

DESIGNED BY: ISAACSON ENGINEERING

CHECKED BY: DAVIS

DATE: 10/17/79
SHEET 2 OF 3

IN A PORTION OF SECTIONS 7 & 18, T. 12 N., R. 26 E.



ISAACSON ENGINEERING
P.O. Box 9724
ST. LOUIS, MISSOURI 63108
PHONE: (314) 337-9916

CONCJO WEST SHOE SUBDIVISION
WATER & SEWER DESIGN

PROJECT LOCATED AT THE INTERSECT. OF
DIXIE BLVD. & 11TH ST. ST. LOUIS, MO.

DATE: 04/21/74


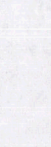


BY: J. E. ISAACSON
CHECKED BY: J. E. ISAACSON
APPROVED BY: J. E. ISAACSON

1 SHEET 4 OF 4

COUNTY Apache

RANGE 26 East

TOWNSHIP 12 North

-  W-2121 (1)
Livco Water Company
-  SW-2563 (1)
Livco Sewer Company
-  W-1913 (1)
Ruebush, A. C. (Concho Water Supply)
-  Livco Water Company
(Requested Expansion)

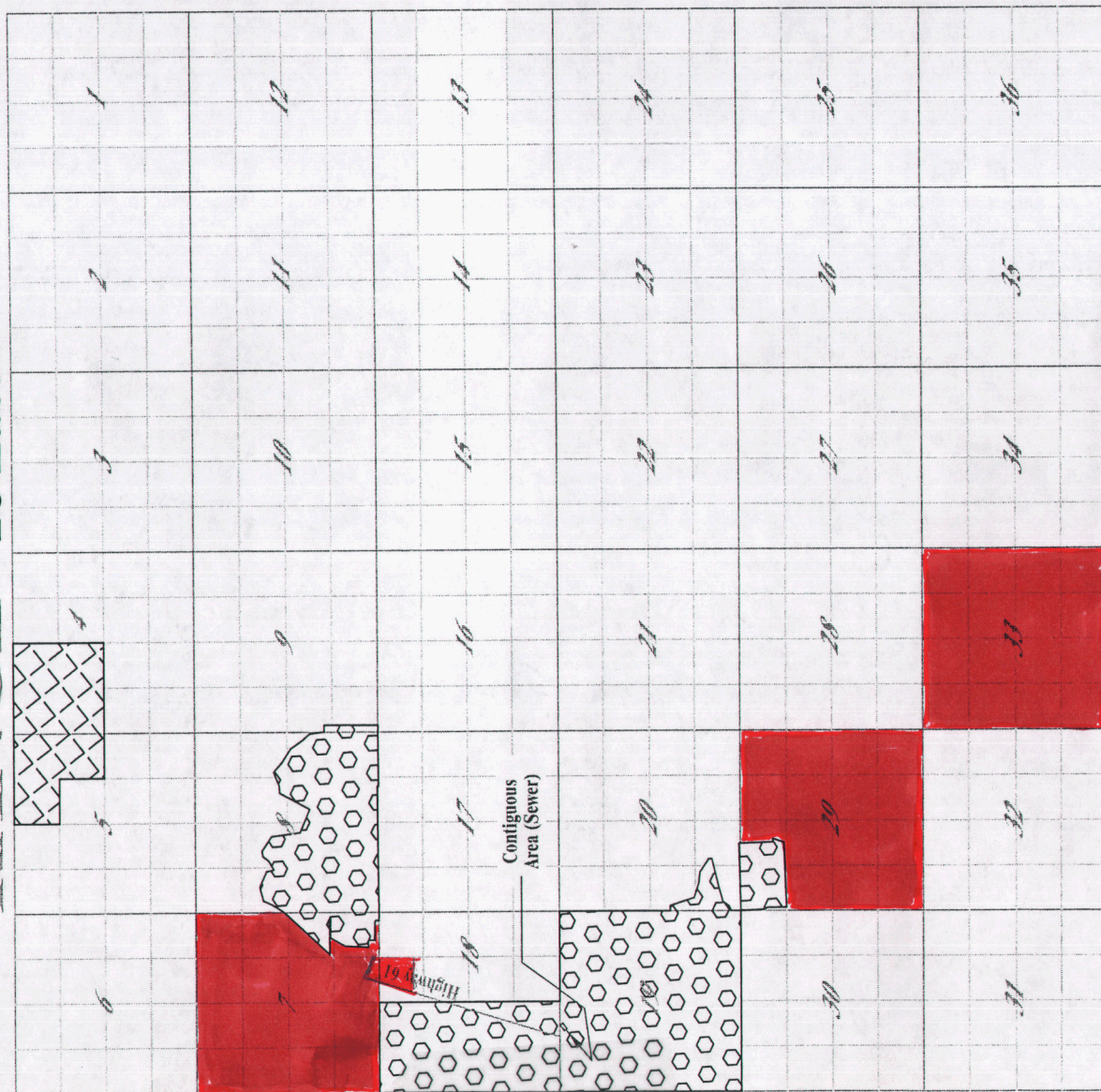




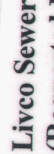


EXHIBIT C

COUNTY Apache

RANGE 26 East

TOWNSHIP 12 North

- 
W-2121 (1)
Livco Water Company
- 
SW-2563 (1)
Livco Sewer Company
- 
W-1913 (1)
Ruebush, A. C. (Concho Water Supply)
- 
- 
Livco Sewer Company
(Requested Expansion)



Livco Water & Sewer Co.
Balance Sheet
As of December 31, 2004

	Dec 31, 04
ASSETS	
Current Assets	
Checking/Savings	
131 - Checking Acct National Bank	224.97
Total Checking/Savings	224.97
Accounts Receivable	
141 - Customer Accounts Receivables	
141s - Cust A/R for sewer	281.20
141w - Cust A/R for water	6,508.93
Total 141 - Customer Accounts Receivables	6,790.13
Total Accounts Receivable	6,790.13
Total Current Assets	7,015.10
Fixed Assets	
300 - Plant - Water	
301 - Organization for water	1,882.00
303 - Land & land rights for water	1,060.00
304 - Structures & improvements - W	11,660.10
307 - Wells & Springs	46,784.00
311 - Electric Pumping Equipment - W	50,149.42
330 - Distrib'n reservoirs/standpipe	62,170.00
331 - Transmission/distribution mains	233,420.52
334 - Water Meters	46,281.34
335 - Hydrants	8,325.93
336 - Backflow Prevention - W	774.69
339 - Plant Structrs/Imprvmts other-W	949.99
340 - Office Furniture & Fixtures - W	1,852.62
343 - Tools & Equipment - W	1,529.90
347 - Misc Equipment - W	1,825.31
348 - Other Tangible Plant - W	12,477.58
Total 300 - Plant - Water	481,143.40
350 - Plant - Sewer	
354 - Structures & Improvements - S	3,273.17
360 - Collect.sewers,struct'rs, mains	74.55
371 - Sewer Pumping Equipment	14,363.46
381 - Plant Sewers	97,056.00
382 - Outfall Sewer Lines	126.63
390 - Office Furniture & Fixtures - S	211.71
393 - Tools & Equipment - S	4,810.00
398 - Other Tangible Plant - S	36,803.81
Total 350 - Plant - Sewer	156,719.33
108 - Acc Dep/Amor of utility plant	
108s - Acc dep/amor of plant for sewer	-97,655.42
108w - Acc dep/amor of plant for water	-362,242.29
Total 108 - Acc Dep/Amor of utility plant	-459,897.71
Total Fixed Assets	177,965.02
TOTAL ASSETS	184,980.12
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
231 - Accounts Payable	
231w - Accounts Payable - Water	8,305.82
231s - Accounts Payable - Sewer	5,845.64
Total 231 - Accounts Payable	14,151.46
Total Accounts Payable	14,151.46

Livco Water & Sewer Co.
Balance Sheet
As of December 31, 2004

	Dec 31, 04
Other Current Liabilities	
240 - Note Payable Shareholder	
240w - NP Shareholder - Water	8,312.31
240s - NP Shareholder - Sewer	3,766.87
Total 240 - Note Payable Shareholder	12,079.18
235 - Customer Deposits	
235s - Customer deposits for sewer	60.00
235w - Customer deposits for water	4,640.00
Total 235 - Customer Deposits	4,700.00
236 - Accrued taxes	
236.1 - Payroll Liabilities	8,883.56
Total 236 - Accrued taxes	8,883.56
Total Other Current Liabilities	25,662.74
Total Current Liabilities	39,814.20
Long Term Liabilities	
252 - Advances for Construction	
252w - Adv for constr for water	7,313.00
Total 252 - Advances for Construction	7,313.00
271 - Contrib in Aid of Construction	
271w - Contrib aid in const for water	139,985.00
Total 271 - Contrib in Aid of Construction	139,985.00
272 - Accum Amort in Aid in Construct	
272w - Acc amort aid const for water	-139,985.00
Total 272 - Accum Amort in Aid in Construct	-139,985.00
Total Long Term Liabilities	7,313.00
Total Liabilities	47,127.20
Equity	
201 - Common stock issued	
201s - Common stock for sewer	5,000.00
201w - Common stock for water	82,000.00
Total 201 - Common stock issued	87,000.00
211 - Other paid-in capital	
211s - Other paid-in capital for sewer	98,553.00
211w - Other paid-in capital for water	125,557.00
Total 211 - Other paid-in capital	224,110.00
215 - Retained earnings	
215s - Retained earnings for sewer	-57,135.71
215w - Retained earnings for water	-80,754.91
Total 215 - Retained earnings	-137,890.62
Net Income	-35,366.46
Total Equity	137,852.92
TOTAL LIABILITIES & EQUITY	184,980.12

Livco Water & Sewer Co.
Profit & Loss
January through December 2004

	Jan - Dec 04
Ordinary Income/Expense	
Income	
400 - Income for Water	
460 - Other Water Sales	0.00
461 - Metered Water Sales	94,443.08
471 - Other Water Operating Revenues	
471sf - Superfund	251.28
471tax - Tax on water bills	5,849.06
471 - Other Water Operating Revenues - Other	611.40
Total 471 - Other Water Operating Revenues	6,711.74
Total 400 - Income for Water	101,154.82
680wst - Water sales tax	-6,203.13
500 - Income for Sewer	
521 - Flat Rate Sewer Revenues	4,000.00
Total 500 - Income for Sewer	4,000.00
Total Income	98,951.69
Gross Profit	98,951.69
Expense	
408.2s - Payroll taxes	162.41
600 - Expenses for Water	
601 - Salaries & Wages - Water	15,435.64
615 - Purchased Power - Water	23,987.76
618 - Water Testing	2,094.64
619 - Water Treatment	39.93
620 - Repairs & Maintenance - Water	1,170.54
621 - Office Supplies & Exp - Water	6,888.44
630 - Outside Services - Water	15,824.89
640 - Rents - Water	300.00
655 - General Insurance - Water	2,791.22
675 - Misc Expenses - Water	93.39
408.1w - Taxes (not Prop & Income) - W	128.36
408.2w - Payroll taxes	9,982.27
408.11w - Property Taxes - Water	3,759.86
409w - Income taxes for water	90.00
403w - Depreciation expense for water	17,268.00
426w - Other expense for water-baddebt	288.89
Total 600 - Expenses for Water	100,143.83
6560 - Payroll Expenses	0.00
700 - Expenses for Sewer	
701 - Salaries & Wages - Sewer	1,715.07
711 - Sludge Removal Expense	5,798.00
715 - Purchased Power - Sewer	4,591.62
718 - Sewage Treatment & Testing	3,089.75
720 - Repairs & Maintenance - Sewer	639.99
721 - Office Supplies & Exp - Sewer	644.94
730 - Outside Services - Sewer	7,361.74
755 - General Insurance - Sewer	1,449.90
775 - Misc Expenses - Sewer	57.18
403s - Depreciation expense for sewer	7,837.00
408.1s - Taxes (not Prop & Income) - S	12.50
408.11s - Property Taxes - Sewer	99.44
409s - Income taxes for sewer	90.00
426s - Other expense for sewer	25.80
Total 700 - Expenses for Sewer	33,412.93
Total Expense	133,719.17
Net Ordinary Income	-34,767.48
Other Income/Expense	

Livco Water & Sewer Co.
Profit & Loss
January through December 2004

	Jan - Dec 04
Other Income	
421 - Other Income	
421w - Other income for water	8.00
Total 421 - Other income	8.00
Total Other Income	8.00
Other Expense	
426 - Other Expense	0.00
427 - Interest Expense	
427s - Interest expense for sewer	180.67
427w - Interest expense for water	426.31
Total 427 - Interest Expense	606.98
Total Other Expense	606.98
Net Other Income	-598.98
Net Income	-35,366.46

ARIZONA CORPORATION COMMISSION**Utilities Division**1200 WEST WASHINGTON PHOENIX ARIZONA 85007
PHONES: 602 942-4291 1-800-222-1000**EXTENSION AGREEMENT
DATA SHEET**EXTENSION AGREEMENT WITH:
CONCHO WEST SHORE SUBDIVISIONCOMPANY NAME: **Livco Water Company**
DIVISION:
W.A. No.:
ACC No.: **W-02121**NUMBER OF PROPOSED CUSTOMERS: **49**

PROJECTED PEAK USAGE (DOMESTIC GPM):

NUMBER OF CUSTOMERS BY MONTH FOR THE LAST 12 MONTHS	YEAR	
	2005	2006
JANUARY	362	358
FEBRUARY	360	
MARCH	359	
APRIL	360	
MAY	363	
JUNE	362	
JULY	363	
AUGUST	364	
SEPTEMBER	364	
OCTOBER	358	
NOVEMBER	361	
DECEMBER	358	

TOTAL GALLONS SOLD PER MONTH FOR LAST 12 MONTHS*	YEAR	
	2005	2006
JANUARY	1,776	1,798
FEBRUARY	1,490	
MARCH	1,406	
APRIL	1,521	
MAY	4,206	
JUNE	5,913	
JULY	6,595	
AUGUST	3,562	
SEPTEMBER	4,007	
OCTOBER	2,861	
NOVEMBER	2,059	
DECEMBER	1,481	
Total		47,543

WELL PUMP CAPACITY (GPM) **

GPM	WELL #	GPM	WELL #	GPM	WELL #	GPM	WELL #
225	55-600014						
66	55-508123						

*** STORAGE CAPACITY (GALLONS): **275,000****BOOSTER PUMP CAPACITY (GPM)**

GPM	BOOSTER	GPM	BOOSTER	GPM	BOOSTER	GPM	BOOSTER
-----	---------	-----	---------	-----	---------	-----	---------

Will additional well capacity be needed as a result of this agreement?

☐ Yes☒ No

Will new booster stations be necessary to serve the proposed addition?

☐ Yes☒ No* Reported in 10³ gallons

** ADEQ designation

*** Include ground storage

LIVCO

1 **PUBLIC NOTICE OF AN APPLICATION FOR AN**
2 **EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND**
3 **NECESSITY**
4 **BY LIVCO WATER COMPANY AND LIVCO SEWER COMPANY**

5 Livco Water Company and Livco Sewer Company ("LIVCO") has filed
6 with the Arizona Corporation Commission ("Commission") an application for
7 authority for an extension of its Certificate of Convenience and Necessity to
8 provide water and wastewater service. Our records indicate that you are either
9 currently a customer of LIVCO or are a property owner in the proposed extension
10 area. If the application is granted, LIVCOI would be the exclusive provider of
11 water and wastewater service to the proposed area. LIVCO will be required by the
12 Commission to provide this service under the rates and charges and terms and
conditions established by the Commission. The granting of the application would
not necessarily prohibit an individual from providing service to themselves from
individually owned facilities on their property. The application is available for
inspection during regular business hours at the offices of the Commission in
Phoenix at 1200 West Washington Street, Phoenix, Arizona 85007, and at #1
County Road 5100 in Concho, Arizona

13 The Commission will hold a hearing on this matter. As a property owner or
14 customer you may have the entitled to intervene in the proceeding. If you do not
15 want to intervene, you may appear at the hearing and make a statement on your
16 own behalf. You may contact the Commission at the address and telephone
number listed below for the date and time of the hearing and for more information
on intervention. You may not receive any further notice of the proceeding unless
requested by you.

17 If you have any questions or concerns about this application or have any
18 objections to its approval, or wish to make a statement in support of it, you may
19 contact the Consumer Services Section of the Commission at 1200 West
20 Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.
21
22
23

Richard L. Sallquist, Esq.
SALLQUIST, DRUMMOND & O'CONNOR, P.C.
4500 S. Lakeshore Drive, Suite 339
Tempe, Arizona 85282
Telephone: 480-839-5202
Attorneys for Livco Water Company and Livco Sewer Company

BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE)
APPLICATION OF LIVCO WATER)
COMPANY FOR AN EXTENSION OF)
ITS CERTIFICATE OF)
CONVENIENCE AND NECESSITY)
FOR THE PROVISION OF WATER)
SERVICE IN PORTIONS OF APACHE)
COUNTY, ARIZONA.)

DOCKET NO. W-02121A-06-__

IN THE MATTER OF THE)
APPLICATION OF LIVCO SEWER)
COMPANY FOR AN EXTENSION OF)
ITS CERTIFICATE OF)
CONVENIENCE AND NECESSITY)
FOR THE PROVISION OF)
WASTEWATER SERVICE IN)
PORTIONS OF APACHE COUNTY,)
ARIZONA ZONA.)

DOCKET NO. SW-02563A-06-__

AFFIDAVIT OF MAILING

STATE OF ARIZONA)
)ss
County of Apache)

1. I am Rick Kautz, President of Livco Water Company and Livco Sewer Company. My business address is #1 County Road, Concho, Arizona 85924.

1 2. On May __, 2006, I caused the Notice in the forms attached hereto as Exhibit 1 and
2 incorporated herein by reference for all purposes, to be mailed by first class mail,
3 postage prepaid, to all property owners of record in the records of the Apache County
4 Recorder's Office as of that date.

5 3. Further affiant sayeth naught

6 DATED this ____ day of May 2006.

7 LIVCO WATER COMPANY
8 LIVCO SEWER COMPANY

9 By: _____
10 Rick Kautz

11 The foregoing instrument was acknowledged before me this ____ day of May 2006, by
12 Rick Kautz.

13 _____
14 Notary Public

15 My Commission Expires:
16 _____

17 Original and fifteen copies of the foregoing
18 filed this ____ day of May, 2006,
19 with:

20 Docket Control
21 Arizona Corporation Commission
22 1200 West Washington
23 Phoenix, Arizona 85007

PUBLIC NOTICE OF AN APPLICATION FOR AN
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND
NECESSITY
BY LIVCO WATER COMPANY

Livco Water Company ("LIVCO") has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide water service. Our records indicate that you are either currently a customer of LIVCO or are a property owner in the proposed extension area. If the application is granted, LIVCO would be the exclusive provider of water service to the proposed area. LIVCO will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, Phoenix, Arizona 85007, and at #1 County Road 5100 in Concho, Arizona

The Commission will hold a hearing on this matter. As a property owner or customer you may have the entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

Water and Wastewater Line Extension Agreements

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ATTACHMENT TWO

**ON-SITE LINE EXTENSION AGREEMENT
FOR
DEVELOPER INSTALLED WATER FACILITIES**

BETWEEN

LIVCO WATER COMPANY

AND

SINTRA CAPITAL, LLC

FOR

**CONCHO WEST SHORES SUBDIVISION
APACHE COUNTY, ARIZONA**

APRIL __, 2006

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**ON-SITE LINE EXTENSION AGREEMENT
FOR DEVELOPER INSTALLED WATER FACILITIES**

THIS ON-SITE LINE EXTENSION AGREEMENT, entered into this ____ day of April, 2006, by and between LIVCO WATER COMPANY (hereinafter referred to as the "Company") and SINTRA CAPITAL, LLC, an Arizona limited liability company (hereinafter referred to as the "Developer"), is for the construction of utility infrastructure necessary to provide water utility service to CONCHO WEST SHORE SUBDIVISION, a subdivision in Apache County, Arizona as shown on **Attachment 1** (hereinafter called the "Development" and at times the "Property").

WITNESSETH:

WHEREAS, Company represents and warrants to Developer that it owns and operates a public service corporation and holds a Certificate of Convenience and Necessity and other permits and governmental approvals required authorizing it to serve the public with water service at the Development; and

WHEREAS, Developer is developing the Property within the certificated area of the Company, which Development is more fully described in **Attachment 1** hereto and incorporated herein by reference for all purposes; and

WHEREAS, the Company does not presently have water distribution lines on the Property sufficient to serve the Development; and

WHEREAS, under such circumstances the Arizona Corporation Commission's ("Commission") Rules and Regulations permit the Company to require an Advance In Aid of Construction to provide such facilities; and

WHEREAS, unless otherwise provided in this Agreement, the defined terms herein shall have the same meaning as set forth in the Commission Rules and Regulations.

NOW, THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

**I. UTILITY PLANT ADDITIONS; COST; PAYMENT; HOOK-UP FEES
ASSESSMENT AND REFUND; OTHER CHARGES; AND GROUNDWATER
REPLENISHMENT DISTRICT**

A. Utility Plant Additions. The Developer will construct, or cause to be constructed, the water utility plant described on **Attachment 2**, the cost of which is estimated on **Attachment 3**. For any subsequent phase of the Development, the Company and the Developer shall enter into a separate agreement in substantially the same form as this agreement.

B. Cost. The cost of construction of the subject plant as more fully detailed in **Attachment 3**, attached hereto and incorporated herein by reference for all purposes, is estimated to be \$199,519.85. The Construction Cost Advance shall be adjusted to the amount of the invoices provided to the Company as required in Articles III and VI.

C. **Payment.** Developer shall convey the facilities constructed under this Agreement pursuant to Articles III and VI. The payment of funds for the on-site facilities under this Agreement shall be deemed paid upon presentation of the documents pursuant to Article VI. Developer further agrees that upon execution of this Agreement, Developer will advance the applicable Administrative and Legal Fees as set forth in **Attachment 3** hereto.

D. **Other Water Utility Charges.** In the event the Developer or a Builder require construction water for grading, site preparation, road work, dust control or any other construction related purpose, the Developer or Builder shall contact the Company and request, and the Company shall supply, Construction Water Service pursuant to the Company's Tariff.

At the time the Developer, Builder, or a lot owner requests that a water meter be set at a specific lot line, the party requesting that service shall pay to the Company all Service Line Tariff and Water Advances Charges as authorized by the Company's Tariff.

II. SERVICE; COMPANY LIABILITY LIMITATIONS; APPLICABLE RATES

A. **Service.** Notwithstanding any reference to fire protection facilities contained in Attachment 2 or Attachment 3 hereto, the subject plant additions are being installed primarily for the purpose of providing domestic water service to the Development. However, under certain operating conditions, those facilities may provide limited fire protection service to an appropriate fire protection agency contracting with the Company for such service. Service will be provided in accordance with good utility practice.

B. **Company Liability.** Company's obligation for service shall be as set by the stricter of AAC R14-2-407(C) and (D), or this Agreement. Company shall comply with such regulations and any other applicable law.

C. **Applicable Rates.** It is mutually understood and agreed that the charges for water services to said Development shall be at the applicable rates of the Company which are currently on file with the Arizona Corporation Commission. Those rates are subject to change from time to time upon application of the Company and as approved by the Commission.

III. PERMITS AND LICENSES; EASEMENTS; TITLE

A. **Permits and Licenses.** Developer agrees to obtain at its sole expense all licenses, permits, certificates and approvals from public authorities which may be required for the construction of the Improvements on the Property under this Agreement or development of the subject Property and to comply with all municipal and other public laws, ordinances and requirements in regard to the same. The cost of obtaining such licenses, permits, certificates and approvals shall be added to the amount of the refundable Advance In Aid Of Construction. The Company shall be responsible for obtaining at its sole expense all licenses, permits, certificates and approvals from public authorities which may be required for the installation and operation of the off-site water treatment and supply facilities that will serve the Development and into which the Developer constructed facilities will be intertied and connected. The Company shall be responsible for the construction and operation at its cost of all other water production, treatment and distribution facilities necessary to serve the Development.

B. Easements. Prior to the commencement of construction, Developer shall dedicate on the Property upon which the subject facilities will be constructed, a perpetual easement for the construction, operation and maintenance of water lines, mains and appurtenant facilities, in the name of the Company, and in a form acceptable to the Company, or a public utilities easement for such purposes as approved by Apache County.

C. Title. All materials installed, facilities constructed and equipment provided by Developer in connection with construction of facilities under this Agreement and the completed facilities as installed for which an Approval of Construction has been issued by ADEQ, and which facilities the Company has provided written acceptance thereof, shall become the sole property of the Company, and full legal and equitable title thereto shall be then vested in the Company, free and clear of any liens, without the requirement of any written document of transfer to the Company or acceptance by the Company. Developer agrees to execute or cause to be executed promptly such documents as counsel for the Company may request to evidence good and merchantable title to said facilities free and clear of all liens. The Company shall confirm in writing the acceptance of title to the facilities.

IV. COMMENCEMENT OF PERFORMANCE AND TIME OF COMPLETION; PLANS AND SPECIFICATIONS; WORKMANSHIP, MATERIALS, EQUIPMENT AND MACHINERY; CONNECTING NEW FACILITIES; EXISTING UNDERGROUND FACILITIES RESPONSIBILITIES

A. Commencement of Performance and Time of Completion. It is estimated that the Developer started the construction work to be performed under this Agreement in April, 2006 and completed the construction work to be performed under this Agreement in July, 2006. Failure to meet those estimated dates shall in no way relieve the Developer or Company of any of their obligations under this Agreement.

B. Plans and Specifications. All plans, specifications and construction shall be in accordance with good utility practices and in accordance with all rules, regulations and requirements of regulatory agencies having jurisdiction over water service and facilities. All of said plans and specifications shall have all requisite approvals in writing of all necessary agencies and the approval in writing of Company before construction is commenced. The Company's review, revisions and approval shall be provided as promptly as possible. Plans and specifications as approved by Company for water facilities to be constructed hereunder will be incorporated herein by reference and made part of this Agreement when so approved.

C. Materials, Workmanship, Equipment and Machinery. All materials shall be new and both workmanship and materials shall be of good quality which meet the specifications and standards of the American Water Works Association Standards, the Arizona Corporation Commission, ADEQ, the Arizona Department of Health Services and all local regulatory agencies. Developer shall assign to the Company the warranties of its contractor(s) for the facilities to be built pursuant to this agreement or, if the Developer constructs the facilities itself, Developer agrees to pay all costs for removing and replacing any defective part or parts upon the Company providing written notice to the Developer within one year after such facilities being placed in regular operation.

60004.00000.23

D. Connecting New Facilities. The facilities constructed pursuant to the Agreement shall not be connected to the Company's existing facilities, or operated, without the prior written approval of Company, which approval shall not be unreasonably withheld.

E. Existing Underground Facilities Responsibility. Developer shall be responsible for complying with A.R.S. 40-360.21, et seq., and related local regulations, and will assume all costs and liabilities associated with (1) coordination with the owners or agents of all underground facilities within and adjacent to the Development regarding the location of such facilities, and (2) construction near, or damage to, such underground facilities. Developer will conduct, or cause to be conducted, all excavation in a careful and prudent manner in its construction of all facilities subject to this Agreement.

F. Additional Terms and Conditions. Any additional terms and conditions applicable to this Agreement are contained in **Attachment 4** attached hereto and incorporated herein.

V. INSPECTION, TESTING AND CORRECTION OF DEFECTS

Developer shall comply with the inspection and testing requirements of the Company for the facilities to be constructed hereunder; said requirements shall be reasonable and shall not cause Developer unwarranted delays in the ordinary course of construction. Developer shall promptly notify the Company when facilities under construction are ready for inspection and testing, and the Company shall inspect promptly after being so notified. The Company agrees to conduct any "open trench" inspection within 48 hours of the inspection date designated by Developer, provided Developer gives the Company at least 3 working days advance written notice of the inspection date, and the condition will be deemed automatically approved by Company if it fails to inspect the condition within such 48 hour period, provided the Company received such 3 working days advance written notice. If not inspected and approved by the Company, Developer shall provide within 10 working days its Engineer's Certificate of Approval that said facilities were installed in accordance with the approved plans and specifications.

For the purpose of inspection and testing of everything covered by this Agreement, or the work thereon, Developer shall give the Company and any inspectors appointed by it, free access to the working places and furnish every facility for properly inspecting such materials and work and shall furnish them with full information whenever requested as to the progress of the work on its various parts. The approval of work by any such inspector shall not relieve Developer from its obligation to comply in all respects with the instructions and specifications to make the work a finished job of its kind, completed in accordance with the plans and specification approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that no inspection by or on behalf of the Company shall relieve Developer from its obligation to do and complete the work in accordance with this Agreement. If at any time before the final completion and acceptance of the work any part of the work is found to be defective or deficient in any way, or in any way fails to conform to this Agreement, the Company is hereby expressly authorized to reject or revoke acceptance of such defective or deficient work and require Developer to do over and make good on such defective work. No costs incurred by Developer to do over or make good on defective or deficient work shall be included in the Amount of Advance pursuant to Paragraph 60004.00000.23

VIIA. The Company specifically reserves the right to withhold approval and to forbid connection of the facilities constructed pursuant to this Agreement to the Company's system unless such facilities have been constructed in accordance with the plans and specifications as approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that it will promptly correct all defects and deficiencies in construction, materials and workmanship upon request by the Company made subsequent to inspection by the Company.

VI. INVOICES; LIENS; "AS-BUILT" PLANS

A. **Invoices.** Developer agrees to furnish Company, within thirty (30) days after completion of construction, copies of Developer's, subcontractors', vendors' and all others' invoices for all engineering, surveying, and other services, materials installed, construction performed, equipment provided, materials purchased and all else done for construction pursuant to this Agreement at the actual cost thereof.

B. **Liens.** Developer acknowledges its duty to obtain lien waivers from all providing labor, materials or services hereunder. Developer hereby irrevocably waives any rights it may now have or which it may acquire during the course of this Agreement to record liens against the Company or its property. Developer shall also pay, satisfy and discharge, or bond over all mechanics', materialmen's and other liens, and all claims, obligations and liabilities which may be asserted against the Company or its property by reason of the Developer's construction of the Improvements to be constructed pursuant to this agreement.

C. **"As-Built" Plans.** Developer agrees to furnish the Company, within forty-five (45) days after completion of construction, "as-built" drawings showing the locations of all water mains, hydrants, valves, and service connections to all structures served from facilities which are constructed pursuant to this Agreement. The drawings shall be certified by the Developer's engineer of record and shall be provided on reproducible milar prints and in a digital format (i.e. AutoCad, MicroStation or .dxf format or as otherwise specified by the Company), all available data for the Development, including ALTA surveys, topographical, aerials, tentative plats, engineering plans, and final plats.

VII. AMOUNT OF ADVANCE; INCOME TAX; REFUND; TRANSFER

A. **Amount of Advance.** Based on the estimated cost contained in Paragraph I.B, and subject to receiving invoices pursuant to Paragraph VI.A, totaling at least the estimated cost and the income tax payable under Paragraph I.D, the Advance by the Developer shall be a total of \$199,519.85. Of the total advance, \$177,519.85 shall be refundable pursuant to this Paragraph VII. If the actual construction cost is less than the estimated Advance, the Advance shall be the lesser amount, to the extent supported by invoices provided pursuant to Paragraph VI.A. If the actual cost is more than the estimated Advance, the Advance shall be the greater amount, to the extent supported by invoices provided pursuant to Paragraph VI.A. If funds were advanced by the Developer for the construction by the Company, advances in excess of the actual construction, as well as advanced funds in excess of actual administration, engineering and legal costs, will be refunded to the Developer within thirty (30) days of completion and acceptance of the construction.

B. Time of Payment. The payment of the funds under this Agreement shall be as follows:

1. Upon execution of this Agreement, Developer shall advance the Administrative, Engineering and Legal costs as set forth in **Attachment 3**. This Advance totals \$18,138.17.
2. Upon completion of the construction to be performed by the Developer, Developer shall provide the documentation required by Paragraphs III, IV, V, and VI of this Agreement.

C. Income Taxes. In the event it is determined by Congress, the Internal Revenue Service, the Arizona Legislature or the Arizona Department of Revenue that all or a portion of the cost estimates in Attachment 3 is taxable income to the Company as of the date of this Agreement, or upon receipt of said costs or facilities by the Company, the Developer will advance funds equal to the applicable income taxes for the Company's state and federal tax liability on all funds advanced pursuant to this Agreement. These funds shall be payable by the Developer to the Company immediately upon notification to the Developer of the determination by the appropriate agency having jurisdiction. At the time the refunds are made pursuant to Paragraph VII.D, the Company shall also refund that portion of the income taxes associated with that refund that were advanced under this Paragraph VII.C. The income tax advance refunds shall be based on the annual refund amount under Paragraph VII.D, and computed at the same rate the advance was originally assessed.

D. Computation of Refund. Refunds of the Advance In Aid of Construction shall be made by the Company on or before the 31st day of August of each year commencing with August of 2007, covering any refunds owing from water revenues received during the preceding July 1 to June 30 period. Any additional charge made by the Company based on any sales, privilege tax, excise tax, or regulatory assessment, shall not be included in the computation. The annual refund shall equal ten percent (10%) of the total gross annual revenue from water sales to each bona fide customer in the Development for a period of ten (10) years from the date of this Agreement.

E. Maximum Refund; Interest on Advance; Limitation on Revenues. The refund to the Developer under this Agreement shall in no event exceed the amount of the Advance, as adjusted. No interest shall be paid by the Company on any amounts advanced. The Company shall make no refunds from any revenue received from properties other than those located within the phase of the Development covered by this Agreement and contained within the area identified in Attachment 1 to this Agreement.

F. Transfer of Facilities. In the event of the sale, conveyance or transfer by the Company, pursuant to the approval of the Arizona Corporation Commission, of any portion of its water system, including the facilities serving the Development and installed pursuant to the terms of this Agreement, the Company's obligation under Paragraph VII.D hereto shall cease (except as to any payment which is then due) conditioned upon the transferee assuming, and agreeing to pay the Developer, any sums becoming payable to Developer thereafter in accordance with the provisions of Paragraph VII.D of this Agreement.

G. **Company's Right of First Refusal.** Before selling or transferring the obligation of the Company under this Agreement to refund the Advance, Developer shall first give the Company, or its assigns, reasonable opportunity to purchase the same at the same price and upon the same terms as contained in any bona fide offer which Developer has received from any third person or persons which he may desire to accept. This provision shall not apply to Developer's assigning or pledging the Agreement in connection with any lender's requirements.

VIII. RISK; LIABILITY; INSURANCE

A. **Risk.** Developer shall carry on all work required hereunder at its own risk until the same is fully completed and accepted by the Company and will, in case of accident, destruction or injury to the work or material before such final completion and acceptance, replace or repair forthwith the work of materials so injured, damaged or destroyed, in accordance with the original approved plans and specifications and to the satisfaction of the Company and at Developer's own expense.

B. **Liability.** Developer hereby assumes the entire responsibility and liability for injury or death of any person, or loss for damage to any property contributed to or caused by the active or passive negligence of Developer, its agents, servants, employees, or subcontractors incurred during the course of construction of the facilities. Accordingly, DEVELOPER WILL INDEMNIFY AND HOLD HARMLESS the Company, its officers, directors, engineers, agents and employees from and against such claims or expenses, including penalties and assessments, to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage, and in case any suit or other proceeding shall be brought on account thereof, Developer will assume the defense at Developer's own expense and will pay all judgments rendered therein.

C. **Insurance.** Developer agrees to produce and maintain all insurances described below, including insurance covering the obligations assumed by Developer under Paragraph VIII.A and Paragraph VIII.B hereof. Certificates of Insurance shall be provided to the Company before the commencement of actual construction.

1. Workmens' compensation in the benefit amounts, and occupational disease disability insurance, as required by the laws and regulations of the state.
2. Comprehensive general liability insurance, with minimum combined single limits of \$1,000,000.00, and including operations and protective liability coverages. When the work to be performed requires blasting, Developer's insurance shall specifically cover that risk.
3. Comprehensive automobile liability insurance with minimum combined single limits of \$1,000,000.00, and covering all owned and non-owned automobiles or trucks used by or on behalf of Developer, in connection with the work.

IX. MISCELLANEOUS

Before this Agreement shall become effective and binding upon either the Company or the Developer, it must be approved by the Arizona Corporation Commission or its authorized representative. In the event that it is not so approved this Agreement shall be null and void and of no force or effect whatsoever. This Agreement may not be modified or amended except by a writing signed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and expressly supersedes and revokes all other prior or contemporaneous promises, representations and assurances of any nature whatsoever with respect to the subject matter hereof. The remedies provided in this Agreement in favor of the Company shall not be deemed its exclusive remedies but shall be in addition to all other remedies available at law or in equity. No waiver by either party of any breach of this agreement nor any failure by either party to insist on strict performance by the other party of any provision of this agreement shall in any way be construed to be a waiver of any future or subsequent breach by such defaulting party or bar the non-defaulting party's right to insist on strict performance by the defaulting party of the provisions of this agreement in the future. Developer is an independent contractor and not an agent or employee of the Company. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

LIVCO WATER COMPANY

SINTRA CAPITAL, L.L.C.

By _____

By _____

Its _____
"Company"

Its _____
"Developer"

ATTACHMENT 1

MAP AND LEGAL DESCRIPTION OF DEVELOPMENT

46 Residential Lots plus irrigation service within CONCHO WEST SHORES SUBDIVISION, a subdivision in Apache County, Arizona, plus one commercial parcel.

Please see attached plat plan.

ATTACHMENT 2

ENGINEERING PLAN OF WATER UTILITY PLANT

Please see attached

ATTACHMENT 3
ESTIMATED ON-SITE AND OFF-SITE FACILITIES
AND ESTIMATED COSTS FOR
DOMESTIC AND FIRE PROTECTION SERVICES ¹

<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Refundable</u>	<u>Non-Refundable</u>	<u>TOTAL</u>
(Please see attached bid)					
		SUBTOTAL	\$161,381.69	\$20,000.00	\$181,381.69
Engineer, Company Supervision and Legal Fees			<u>\$16,138.17</u>	<u>\$2,000.00</u>	<u>\$22,000.00</u>
TOTAL ADVANCE/CONTRIBUTION			\$177,519.85	\$22,000.00	\$199,519.85

¹ The size and quantity of the required facilities and the cost of those facilities will be subsequently revised in accordance with the approved engineering plans. Thereafter, this Attachment and the Agreement shall be revised to reflect actual cost pursuant to Paragraph B.

ATTACHMENT 4

ADDITIONAL TERMS AND CONDITIONS

☐ Check and initial if none

Company

Developer

**ON-SITE LINE EXTENSION AGREEMENT
FOR
DEVELOPER INSTALLED WASTEWATER FACILITIES**

BETWEEN

LIVCO SEWER COMPANY

AND

SINTRA CAPITAL, LLC

FOR

**CONCHO WEST SHORE SUBDIVISION
APACHE COUNTY, ARIZONA**

APRIL __, 2006

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**ON-SITE LINE EXTENSION AGREEMENT
FOR DEVELOPER INSTALLED WASTEWATER FACILITIES**

THIS ON-SITE LINE EXTENSION AGREEMENT, entered into this ____ day of April, 2006, by and between LIVCO SEWER COMPANY (hereinafter referred to as the "Company") and SINTRA CAPITAL, LLC, an Arizona limited liability company (hereinafter referred to as the "Developer"), is for the construction of utility infrastructure necessary to provide wastewater utility service to CONCHO WEST SHORES SUBDIVISION, a subdivision in Apache County, Arizona as shown in **Attachment 1** (hereinafter called the "Development" or at time the "Property").

WITNESSETH:

WHEREAS, Company owns and operates a public service corporation and holds a Certificate of Convenience and Necessity and represents to Developer that it has permits and governmental approvals required to authorize it to serve the public with wastewater service at the Development; and

WHEREAS, Developer is developing property within the certificated area of the Company, which Development is more fully described in **Attachment 1** hereto and incorporated herein by reference for all purposes; and

WHEREAS, the Company does not presently have wastewater collection lines on the Property sufficient to serve the Development; and

WHEREAS, under such circumstances the Arizona Corporation Commission's ("Commission") Rules and Regulations permit the Company to require an Advance In Aid Of Construction to provide such facilities; and

WHEREAS, unless otherwise provided in this Agreement, the defined terms herein shall have the same meaning as set forth in the Commission Rules and Regulations.

NOW, THEREFORE, it is mutually covenanted and agreed by and between the parties hereto as follows:

I. UTILITY PLANT ADDITIONS; COST; PAYMENT; HOOK-UP FEES; AND OTHER CHARGES

A. Utility Plant Additions. The Developer will construct, or cause to be constructed, the wastewater utility plant described on **Attachment 2**, the cost of which is estimated in **Attachment 3**. For any subsequent phase of the Development, the Company and the Developer shall enter into a separate agreement in substantially the same form as this agreement.

B. Cost. The cost of construction of the subject plant as more fully detailed in **Attachment 3**, attached hereto and incorporated herein by reference for all purposes, is estimated to be \$ 269,404.30. The Construction Cost Advance shall be adjusted to the amount of the invoices provided to the Company as required in Articles III and VI.

C. **Payment.** Developer shall convey the facilities constructed under this Agreement pursuant to Articles III and VI. The payment of funds for the on-site facilities under this Agreement shall be deemed paid upon presentation of the documents pursuant to Article VI. Developer further agrees that upon execution of this Agreement, Developer will advance the applicable Administrative and Legal Fees as set forth in **Attachment 3** hereto.

D. **Other Wastewater Utility Charges.** At the time the Developer, Builder or a lot owner requests that a water meter be set at a specific lot line, the party requesting that service will also be required to initiate wastewater service and shall be responsible for paying to the Company Service Line Connection Charges as authorized by the Company's Tariff.

II. SERVICE; COMPANY LIABILITY; APPLICABLE RATES

A. **Service.** The subject plant additions are being installed for the purpose of providing domestic wastewater service to the Development consistent with the Company's Rules and Regulations. Service will be provided in accordance with good utility practice.

B. **Company Liability.** Company's obligation for service shall be as set by the stricter of AAC R14-2-607(C) and (D) or this Agreement. Company shall comply with such regulations and any other applicable law.

C. **Applicable Rates.** It is mutually understood and agreed that the charges for wastewater services to said Development shall be at the applicable rates of the Company which are currently on file with the Arizona Corporation Commission. Those rates are subject to change from time to time upon application of the Company and as approved by the Commission.

III. PERMITS AND LICENSES; EASEMENTS; TITLE

A. **Permits and Licenses.** Developer agrees to obtain at its own expense all licenses, permits, certificates and approvals from public authorities which may be required for the construction of facilities under this Agreement or development of the subject Property and to comply with all municipal and other public laws, ordinances and requirements in regard to the same. The cost of obtaining such licenses, permits, certificates and approvals shall be added to the amount of the refundable Advance In Aid Of Construction. The Company shall be responsible for obtaining at its own expense all licenses, permits, certificates and approvals from public authorities which may be required for the installation and operation of the off-site wastewater treatment and collection facilities that will serve the Development and into which the Developer constructed facilities shall intertie and connect. The Company shall be responsible for the construction and operation at its cost of all other wastewater treatment and collection facilities necessary to serve the Development.

B. **Easements.** Prior to the commencement of construction, Developer shall dedicate for the Property upon which the facilities to be constructed pursuant to this agreement will be installed, a perpetual easement for the construction, operation and maintenance of wastewater lines, mains and appurtenant facilities, in the name of the Company, and in a form acceptable to the Company, or a public utilities easement for such purposes as approved by Apache County.

C. **Title.** All materials installed, facilities constructed and equipment provided by Developer in connection with construction of facilities under this Agreement and the completed facilities as installed for which an Approval of Construction has been issued by ADEQ, and which facilities the Company has provided written acceptance, shall become the sole property of the Company, and full legal and equitable title thereto shall be then vested in the Company, free and clear of any liens, without the requirement of any written document of transfer to the Company or acceptance by the Company. Developer agrees to execute or cause to be executed promptly such documents as counsel for the Company may request to evidence good and merchantable title to said facilities free and clear of all liens. The Company shall confirm in writing the acceptance of title to the facilities.

IV. COMMENCEMENT OF PERFORMANCE AND TIME OF COMPLETION; PLANS AND SPECIFICATIONS; WORKMANSHIP, MATERIALS, EQUIPMENT AND MACHINERY; CONNECTING NEW FACILITIES; EXISTING UNDERGROUND FACILITIES RESPONSIBILITIES

A. **Commencement of Performance and Time of Completion.** It is estimated that the Developer will start the construction work to be performed under this Agreement in April, 2006 and will complete the construction work to be performed under this Agreement in July, 2007. Failure to meet those estimated dates shall in no way relieve the Developer or Company of any of their obligations under this Agreement.

B. **Plans and Specifications.** All plans, specifications and construction shall be in accordance with good utility practices and in accordance with all rules, regulations and requirements of regulatory agencies having jurisdiction over wastewater service and facilities. All of said plans and specifications shall have all requisite approvals in writing of all necessary agencies and the approval in writing of Company before construction is commenced. The Company's review, revisions and approval shall be provided as promptly as possible. Plans and specifications as approved by the Company for wastewater facilities to be constructed hereunder will be incorporated herein by reference and made part of this Agreement when so approved.

C. **Materials, Workmanship, Equipment and Machinery.** All materials shall be new and both workmanship and materials shall be of good quality which meet the specifications and standards of the Arizona Corporation Commission, ADEQ, the Arizona Department of Health Services and all local regulatory agencies. Developer shall assign to the Company the warranties of its contractor for the facilities to be built pursuant to this agreement or, if the Developer constructs the facilities itself, Developer agrees to pay all costs for removing and replacing any defective part or parts upon the Company providing written notice to the Developer within one year after such facilities being placed in regular operation.

D. **Connecting New Facilities.** The facilities constructed pursuant to the Agreement shall not be connected to the Company's existing facilities without the prior written approval of Company, which approval shall not be unreasonably withheld. Nor shall said facilities be operated prior to connection to the Company's facilities. Any such operation may result in either rejection of the facilities by the Company, or extraordinary charges to the Developer to purge the subject facilities prior to acceptance.

E. **Existing Underground Facilities Responsibility.** Developer shall be responsible for complying with A.R.S. 40-360.21, et seq., and related local regulations, and will assume all costs and liabilities associated with (1) coordination with the owners or agents of all underground facilities within and adjacent to the Development regarding the location of such facilities, and (2) construction near, or damage to, such underground facilities. Developer will conduct, or cause to be conducted, all excavation in a careful and prudent manner in its construction of all facilities subject to this Agreement.

F. **Additional Terms and Conditions.** Any additional terms and conditions applicable to this Agreement are contained in **Attachment 4** attached hereto and incorporated herein.

V. INSPECTION, TESTING AND CORRECTION OF DEFECTS

Developer shall comply with the inspection and testing requirements of the Company for the facilities to be constructed hereunder; said requirements shall be reasonable and shall not cause Developer unwarranted delays in the ordinary course of construction. Developer shall promptly notify the Company when facilities under construction are ready for inspection and testing, and the Company shall inspect promptly after being so notified. The Company agrees to conduct any "open trench" inspection within 48 hours of the inspection date designated by Developer, provided Developer gives the Company at least 3 working days advance written notice of the inspection date, and the condition will be deemed automatically approved by Company if it fails to inspect the condition within such 48 hour period, provided the Company received such 3 working days advance written notice. If not inspected and approved by the Company, Developer shall provide within 10 working days its Engineer's Certificate of Approval that said facilities were installed in accordance with the approved plans and specifications.

For the purpose of inspection and testing of everything covered by this Agreement, or the work thereon, Developer shall give the Company and any inspectors appointed by it, free access to the working places and furnish every facility for properly inspecting such materials and work and shall furnish them with full information whenever requested as to the progress of the work on its various parts. The approval of work by any such inspector shall not relieve Developer from its obligation to comply in all respects with the instructions and specifications to make the work a finished job of its kind, completed in accordance with the plans and specifications approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that no inspection by or on behalf of the Company shall relieve Developer from its obligation to do and complete the work in accordance with this Agreement. If at any time before the final completion and acceptance of the work any part of the work is found to be defective or deficient in any way, or in any way fails to conform to this Agreement, the Company is hereby expressly authorized to reject or revoke acceptance of such defective or deficient work and require Developer to do over and make good on such defective work. No costs incurred by Developer to do over or make good on defective or deficient work shall be included in the Amount of Advance pursuant to Paragraph A. The Company specifically reserves the right to withhold approval and to forbid connection of the facilities constructed pursuant to this Agreement to the Company's system unless such facilities have been constructed in accordance with the plans and specifications as approved by the Company and are satisfactory to the Company upon inspection and testing. Developer agrees that it will

promptly correct all defects and deficiencies in construction, materials and workmanship upon request by the Company made subsequent to inspection by the Company.

VI. INVOICES; LIENS; "AS-BUILT" PLANS

A. Invoices. Developer agrees to furnish Company, within thirty (30) days after completion of construction, copies of Developer's, subcontractors', vendors' and all others' invoices for all engineering, surveying, and other services, materials installed, construction performed, equipment provided, materials purchased and all else done for construction pursuant to this Agreement at the actual cost thereof.

B. Liens. Developer acknowledges its duty to obtain lien waivers from all providing labor, materials or services hereunder. Developer hereby irrevocably waives any rights it may now have or which it may acquire during the course of this Agreement to record liens against the Company or its property. Developer shall also pay, satisfy and discharge, or bond over, all mechanics', materialmen's and other liens, and all claims, obligations and liabilities which may be asserted against the Company or its property by reason of the Developer's construction of the Improvements to be constructed pursuant to this agreement.

C. "As-Built" Plans. Developer agrees to furnish the Company, within forty-five (45) days after completion of construction, "as-built" drawings showing the locations of all wastewater man holes, lift stations, mains, valves, and service connections to all structures served from facilities which are constructed pursuant to this Agreement. The drawings shall be certified by the Developer's engineer of record and shall be provided on reproducible milar prints, and in a digital format (i.e. AutoCad, MicroStation or .dxf format or as otherwise specified by the Company), all available data for the Development, including ALTA surveys, topographical, aerials, tentative plats, engineering plans, and final plats.

VII. AMOUNT OF ADVANCE; INCOME TAX; REFUND; TRANSFER

A. Amount of Advance. Based on the estimated cost contained in Paragraph I.B., and subject to receiving invoices pursuant to Paragraph VIA, totalling at least the estimated cost, the Advance by the Developer shall be a total of \$269,404.30. Of the total advance, \$269,404.30 shall be refundable pursuant to this Paragraph VII. If the actual construction cost is less than the estimated Advance, the Advance shall be the lesser amount, to the extent supported by invoices provided pursuant to Paragraph VIA. If the actual construction cost is more than the estimated Advance, the Advance shall be the greater amount, to the extent supported by invoices provided pursuant to Paragraph VIA. If funds were advanced by the Developer for the construction by the Company, advances in excess of the actual construction, as well as advanced funds in excess of actual administration, engineering and legal costs, will be refunded to the Developer within thirty (30) days of completion and acceptance of the construction.

B. Time of Payment. The payment of the funds under this Agreement shall be as follows:

1. Upon execution of this Agreement, Developer shall advance the Administrative, Engineering and Legal costs as set forth in **Attachment 3**. This Advance totals \$24,491.30.
2. Upon completion of the construction to be performed by the Developer, Developer shall provide the documentation required by Paragraphs III, IV, V, and VI of this Agreement.

C. Income Taxes. In the event it is determined by Congress, the Internal Revenue Service, the Arizona Legislature or the Arizona Department of Revenue that all or a portion of the cost estimates in Attachment 3 is taxable income to the Company as of the date of this Agreement, or upon receipt of said costs or facilities by the Company, the Developer will advance funds equal to the applicable income taxes for the Company's state and federal tax liability on all funds advanced pursuant to this Agreement. These funds shall be payable by the Developer to the Company immediately upon notification to the Developer of the determination by the appropriate agency having jurisdiction. At the time the refunds are made pursuant to Paragraph VII.D, the Company shall also refund that portion of the income taxes associated with that refund that were advanced under this Paragraph VII.C. The income tax advance refunds shall be based on the annual refund amount under Paragraph VII.D, and computed at the same rate the advance was originally assessed.

D. Computation of Refund. Refunds of the Advance In Aid of Construction shall be made by the Company on or before the 31st day of August of each year commencing with August of 2007, covering any refunds owing from wastewater revenues received during the preceding July 1 to June 30 period. Any additional charge made by the Company based on any sales, privilege tax, excise tax, or regulatory assessment, shall not be included in the computation. The annual refund shall equal ten percent (10%) of the total gross annual revenue from wastewater sales to each bona fide customer in the Development for a period of ten (10) years from the date of this Agreement.

E. Maximum Refund; Interest on Advance; Limitation on Revenues. The refund to the Developer under this Agreement shall in no event exceed the amount of the Advance, as adjusted. No interest shall be paid by the Company on any amounts advanced. The Company shall make no refunds from any revenue received from properties other than those located within the phase of the Development covered by this Agreement and contained within the area identified in Attachment 1 to this Agreement.

F. Transfer of Facilities. In the event of the sale, conveyance or transfer by the Company, pursuant to the approval of the Arizona Corporation Commission, of any portion of its wastewater system, including the facilities serving the Development and installed pursuant to the terms of this Agreement, the Company's obligation under Paragraph VIID hereto shall cease (except as to any payment which is then due) conditioned upon the transferee assuming, and agreeing to pay the Developer, any sums becoming payable to Developer thereafter in accordance with the provisions of Paragraph VIID of this Agreement.

G. Company's Right of First Refusal. Before selling or transferring the obligation of the Company under this Agreement to refund the Advance, Developer shall first give the Company, or its assigns, reasonable opportunity to purchase the same at the same price and upon the same terms as contained in any bona fide offer which Developer has received from any third person or

persons which he may desire to accept. This provision shall not apply to Developer's assigning or pledging the Agreement in connection with any lender's requirements.

VIII. RISK; LIABILITY; INSURANCE

A. **Risk.** Developer shall carry on all work required hereunder at its own risk until the same is fully completed and accepted by the Company and will, in case of accident, destruction or injury to the work or material before such final completion and acceptance, replace or repair forthwith the work of materials so injured, damaged or destroyed, in accordance with the original approved plans and specifications and to the satisfaction of the Company and at Developer's own expense.

B. **Liability.** Developer hereby assumes the entire responsibility and liability for injury or death of any person, or loss for damage to any property contributed to or caused by the active or passive negligence of Developer, its agents, servants, employees, or subcontractors incurred during the course of construction of the facilities. Accordingly, DEVELOPER WILL INDEMNIFY AND HOLD HARMLESS the Company, its officers, directors, engineers, agents and employees from and against such claims or expenses, including penalties and assessments, to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage, and in case any suit or other proceeding shall be brought on account thereof, Developer will assume the defense at Developer's own expense and will pay all judgments rendered therein.

C. **Insurance.** Developer agrees to produce and maintain all insurances described below, including insurance covering the obligations assumed by Developer under Paragraph A and Paragraph B hereof. Certificates of Insurance shall be provided to the Company before the commencement of actual construction.

1. Workmens' compensation in the benefit amounts, and occupational disease disability insurance, as required by the laws and regulations of the state.
2. Commercial general liability insurance, with minimum combined single limits of \$1,000,000.00, and including operations and protective liability coverages. When the work to be performed requires blasting, Developer's insurance shall specifically cover that risk.
3. Comprehensive automobile liability insurance, with minimum combined single limits of \$1,000,000.00, and covering all owned and non-owned automobiles or trucks used by or on behalf of Developer, in connection with the work.

IX. MISCELLANEOUS

This Agreement may not be modified or amended except by a writing signed by both parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement is consistent with all Rules and Regulations of the Commission and authorized Tariffs of the Company and therefore does not require specific approval of the Commission. This Agreement constitutes the entire agreement and understanding

between the parties with respect to the subject matter hereof and expressly supersedes and revokes all other prior or contemporaneous promises, representations and assurances of any nature whatsoever with respect to the subject matter hereof. The remedies provided in this agreement shall not be deemed exclusive remedies but shall be in addition to all other remedies available at law or in equity. No waiver by either party of any breach of this agreement nor any failure by either party to insist on strict performance by the other party of any provision of this agreement shall in any way be construed to be a waiver of any future or subsequent breach by such defaulting party or bar the non-defaulting party's right to insist on strict performance by the defaulting party of the provisions of this agreement in the future. Developer is an independent contractor and not an agent or employee of the Company. This Agreement shall inure to the benefit of, be binding upon, and be enforceable by the parties hereto and their respective successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

LIVCO SEWER COMPANY

SINTRA CAPITAL, LLC

By _____

By _____

Its _____

Its _____

"Company"

"Developer"

ATTACHMENT 1

MAP AND LEGAL DESCRIPTION OF DEVELOPMENT

46 Residential Lots within CONCHO WEST SHORES
SUBDIVISION, a subdivision in Apache County, Arizona, plus one
commercial parcel.

Please see attached plat plan.

ATTACHMENT 2

ENGINEERING PLAN OF WASTEWATER UTILITY PLANT

Please see attached.

ATTACHMENT 3

ESTIMATED ON-SITE AND OFF-SITE FACILITIES AND ESTIMATED COSTS FOR WASTEWATER SERVICES ¹

<u>Description</u>	<u>Quantity</u>	<u>Unit</u>	<u>Refundable</u>	<u>Non-Refundable</u>	<u>TOTAL</u>
(Please see attached bid)					
			SUBTOTAL	\$244,913.00	\$244,913.00
Engineer, Company Supervision and Legal Fees				<u>\$24,491.30</u>	<u>\$24,491.30</u>
TOTAL ADVANCE/CONTRIBUTION				\$269,404.30	\$269,404.30

¹ The size and quantity of the required facilities and the cost of those facilities will be subsequently revised in accordance with the approved engineering plans. Thereafter, this Attachment and the Agreement shall be revised to reflect actual cost pursuant to Paragraph B.

ATTACHMENT 4

ADDITIONAL TERMS AND CONDITIONS

☐ Check and initial if none

Company

Developer